



North Dakota

FARM REPORTER

Issue: 22-02

November 27, 2002

IN THIS ISSUE

Cattle on Feed

Farm Labor

2002 Census of Agriculture

Wheat Outlook

Oil Crops Outlook

CATTLE ON FEED

United States

Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 10.7 million head on November 1, 2002. The inventory was 9 percent below both November 1, 2001 and November 1, 2000.

Placements in feedlots during October totaled 2.39 million, 12 percent below 2001 and 16 percent below 2000. Net placements were 2.30 million. During October, placements of cattle and calves weighing less than 600 pounds were 809,000, 600-699 pounds were 638,000, 700-799 pounds were 521,000, and 800 pounds and greater were 420,000.

Marketings of fed cattle during October totaled 1.98 million, 4 percent above 2001 and 3 percent above 2000. Other disappearance totaled 84,000 during October, 24 percent above 2001 and 27 percent above 2000.

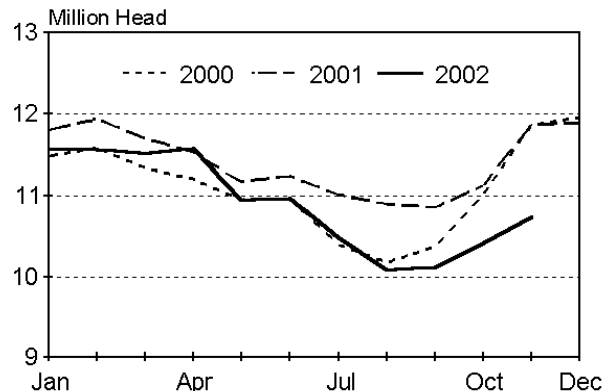
Seven States

Cattle on feed November 1, 2002, in the historic 7 States for feedlots with capacity of 1,000 or more head totaled 9.3 million, down 9 percent from both the previous year and November 1, 2000.

Placements in feedlots during October totaled 2.01 million, 13 percent below 2001 and 16 percent below 2000.

Marketings during October totaled 1.71 million, 4 percent above both 2001 and 2000. Other disappearance during October was 75,000 head, 32 percent above 2001 and 50 percent above 2000.

**United States Cattle On Feed
1,000 + Capacity Feedlots, 2000-2002**



FARM LABOR

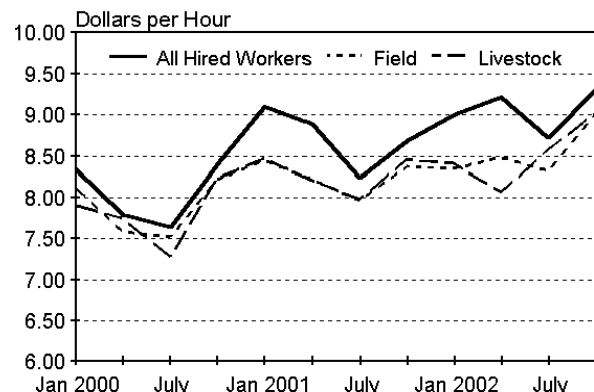
United States

Farm operators paid their hired workers an average wage rate of \$8.93 per hour during the survey week of October 6-12, 2002, up 34 cents from a year earlier. Field workers received an average of \$8.30 per hour, up 29 cents from last October. Livestock workers earned \$8.44 per hour compared with \$8.39 a year earlier.

Northern Plains

Farm operators paid their hired workers and average wage of \$9.32 per hour during the October 2002 survey week, up 64 cents from a year earlier. Field workers received an average of \$9.01, up 64 cents per hour from last October. Livestock workers earned \$9.03 per hour compared with \$8.46 a year earlier.

**Wage Rates for Hired Workers
Northern Plains, 2000-2002**



~ Not Copyright Protected - Compiled and Published by ~

N.D. Agricultural Statistics Service, USDA ■ P.O. Box 3166 ■ 701-239-5306

E-mail: nass-nd@nass.usda.gov ■ Internet: <http://www.nass.usda.gov/nd/>

THE CENSUS OF AGRICULTURE IS COUNTING ON YOU!

The U.S. Department of Agriculture's National Agricultural Statistics Service (NASS) will begin the Nation's largest information-gathering project for agriculture – the 2002 Census of Agriculture – this December. Complete, accurate, and timely reporting by operators like yourself will provide a true portrait of American agriculture for every county, State, and the Nation. Data this complete and comprehensive at the national, State, and county levels are available nowhere else. Agriculture is one of the leading industries in North Dakota while the state ranks number one in the nation for the production of 11 commodities. Many people who serve farmers and ranchers in North Dakota depend on agricultural census data to make sound decisions based on facts, not opinions. Examples of the wide variety and benefits of its uses include:

- ★ Farm organizations and Ag businesses use the data to evaluate and propose policies and programs, develop marketing strategies, and determine locations of facilities that will serve producers.
- ★ Farmers and ranchers use the data to spot trends, determine potential opportunities for their operations, and compare their business to local, State, and national averages.
- ★ Extension agents and universities use census statistics to develop new and improved methods to increase agricultural production and profitability.
- ★ State departments of agriculture use census data to plan for and be responsive to drought and emergency outbreaks of diseases or infestation of pests.
- ★ Elected State and county representatives use the data to develop farm programs to protect and promote U.S. agriculture.
- ★ Public and private analysts make extensive use of census data to develop projections and evaluate results of programs and events.

Report forms will be mailed to all U.S. farm and ranch operators in December 2002 to collect data for the 2002 calendar year. Results of the Census will be released starting in the Spring of 2004. Information on individual operations is strictly confidential by law. NASS safeguards the confidentiality of all responses ensuring that no individual operation or grower will be identified. When you receive your Census report form, please take a few minutes to complete your report and be **counted**. Do your part to help promote the importance of Agriculture in North Dakota.

MAKE IT KNOWN - AGRICULTURE COUNTS!!

WHAT WILL THE PICTURE REVEAL FOR 2002?

TENURE OF OPERATOR, 1997

	North Dakota	United States
Number of Farms		
Full owners	10,760	1,146,891
Part owners	15,064	573,839
Tenants	4,680	191,129
Average Acres per Farm		
Full owners	599	276
Part owners	1,876	885
Tenants	995	565
Average Sales per Farm		
Full owners	\$33,752	\$68,771
Part owners	\$141,248	\$160,680
Tenants	\$80,854	\$134,918

AN AVERAGE FARM, 1997

Average	North Dakota	United States
Size of Farm (Acres)	1290	487
Total Value of Products Sold	\$94,064	\$102,970
Total Production Expenses	\$80,453	\$78,771
Net Cash Return	\$13,112	\$22,260
Value of Machinery and Equipment	\$112,015	\$57,678
Age of Operator	51.4	54.3

THANK YOU!

NASS realizes your time is valuable and expresses gratitude to all the farmers and ranchers who promptly respond to the 2002 Census of Agriculture.

For help in completing your census report form, or if you are involved in agriculture and did not receive a form by December 31, 2002, call: **1-888-424-7828**

For additional information on the Census of Agriculture or any NASS surveys:

Agricultural Statistics Hotline
1-800-727-9540
www.usda.gov/nass/

WHEAT OUTLOOK

Projected U.S. Ending Stocks Are Down

Projected U.S. 2002/03 ending stocks of wheat are down 13 million bushels from last month due to lower production and smaller projected imports. Estimated production is revised down 8 million bushels because of reduced area. Some of the other spring wheat and durum acres the producers indicated they intended to harvest for grain during the collection of data for the *Small Grains Summary 2002* report were not harvested for grain. Projected imports are reduced 5 million bushels from last month. The projected price range is raised 10 cents on the low end to \$3.65 to \$3.95 per bushel.

World supply and demand estimates for wheat incorporate lower consumption and increased stocks estimates for China going back to 1990/91. While the forecast ending stocks are up sharply from last month's projection, they still indicate that a significant stock liquidation has been occurring in China in recent years. The global production forecast is nearly unchanged this month as a lower forecast for Australia is offset by increases for the former Soviet Union. World wheat trade is projected up this month, mostly because of a 2-million-ton increase in forecast EU imports. While Australia's expected exports are down, those for Ukraine, Russia, and East Europe are up, and U.S. export prospects remain unchanged from a month ago.

Resurvey Drops Area Harvested and Production

Survey respondents who reported durum or other spring wheat acreage not yet harvested in Montana and North Dakota during the surveys conducted to prepare the *Small Grains 2002 Summary* were recontacted to determine how many of these acres were actually harvested and to record the actual production from those acres. Based on this updated information, harvested acreage was reduced for both durum and other spring wheat in these two States. Durum area declined 5,000 acres in Montana and 50,000 acres in North Dakota. Other spring wheat harvested area declined 50,000 and 100,000 acres in Montana and North Dakota, respectively.

The Montana durum yield increased 1.0 bushel from the previous estimate, while the other spring wheat yield declined 1.0 bushel. North Dakota yields for both crops were unchanged from the previous estimate. All wheat production in the United States is 1,616 million bushels, 341 million bushels below last year, and 8 million bushels lower than the previous estimate. Hard red spring and durum wheat production was down 7 million bushels and 1 million bushels, respectively, from last month. Because unharvested production is a component of on-farm stocks, changes were made to the September 1 on-farm stocks levels comparable to the production adjustments.

Import and Use Changes For This Month

Wheat imports were reduced by 5 million bushels from last month to 80 million bushels as projected hard red spring imports (HRS) were dropped by 5 million bushels due to the drought-reduced crop in Canada. Thus, HRS wheat supplies for 2002/03 are down 12 million bushels from last month because of reduced production and imports.

Projected total use of hard red spring wheat is down 10 million bushels from last month. Because of reduced supplies of HRS, food use and exports of HRS were

reduced by 5 million bushels each. All wheat food use and export projections are unchanged from last month because 5 million bushels was added to hard red winter (HRW) wheat food use and HRW exports as HRS users switch to HRW.

The 13-million bushel decline in all wheat ending stocks is distributed across three classes: down 10 million bushels in HRW wheat to 143 million; down 2 million bushels in HRS wheat to 85 million bushels; and down 1 million bushels in durum wheat to 27 million bushels.

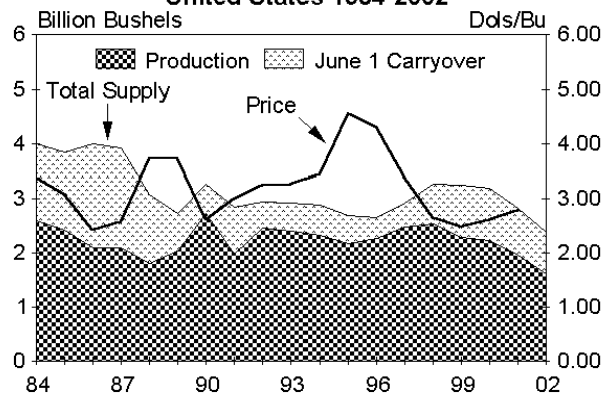
China's Consumption Revised Down Back to 1990/91, Wheat Stocks Much Higher

World supply and demand estimates for wheat incorporate revised estimates of China's wheat consumption and stocks. The changes are due to indications that USDA's previous estimates of China's wheat stocks were too low.

The changes reflect information collected by the U.S. Agricultural Attache in Beijing, trade sources, and statements by Chinese officials regarding total grain stocks. Internal prices and trade patterns also strongly suggest stocks are much more abundant than USDA's previous estimates. Since production and trade estimates are unchanged, except for higher projected exports for 2002/03, higher stocks can be attained only by lowering use, specifically non-feed use. Per capita consumption of wheat was reduced slightly starting in 1990/91, with marginally stronger reductions from 1994/95 to 2002/03 as rising incomes led urban consumers to switch to other foods. Nonfeed use (mostly food use) is estimated to have peaked at 104 million tons in 1996/97 and to have declined thereafter, dropping below 100 million tons in 2001/02. Estimates of wheat feed use were raised 2 million tons per year for 2000/01 through 2002/03. China's total domestic use for 2002/03 is now projected just over 106 million tons, down from 110 million forecast in October. The cumulative effect of the reduced consumption is to boost ending stocks, now estimated to have reached nearly 103 million tons in 1999/2000, and projected at almost 62 million for 2002/03. While the forecast ending stocks are up sharply from last month's projection of just over 19 million tons, they still indicate that a significant stock liquidation is occurring in China. Old and revised historical supply and demand estimates for China wheat are available at: <http://www.usda.gov/oce/waob/wasde/wasde.htm>.

Source: *Wheat Outlook*, USDA-ERS, November 14, 2002

**All Wheat Total Supply & Price
United States 1984-2002**



OIL CROPS OUTLOOK

U.S. Soybean Exports Buoyed by Brisk Sales to China

USDA estimated 2002 soybean production at 2,690 million bushels, up 36 million from the October forecast. The national average yield estimate improved 0.5 bushel to 37.5 bushels per acre, but remains below last year's 39.6 bushels. This month's improvement was primarily associated with soybean yield increases of 1 bushel per acre in Minnesota, Indiana, Nebraska, Missouri, and South Dakota.

Although the U.S. soybean harvest is nearing completion in most States, with 91 percent harvested as of November 10, this rate is below the 5-year average of 96 percent. Frequent showers during October hampered the progress of soybean harvesting. The biggest harvest delays are in the South, where fields have not yet dried out from rainstorms earlier this fall.

U.S. export sales of soybeans, which are off just 10 percent against a year ago, are holding up quite well considering the drop in supply. Slow sales to the European Union (EU) are being partially offset by robust purchases by China and Indonesia. A sluggish expansion of EU livestock and large imports of feed wheat from the Black Sea region (as well as greater domestic supplies of damaged wheat) will lower EU feed requirements for protein meal this year. But, strong crush margins in China are helping counter the loss of EU demand. Delays in planting soybeans in northern Brazil may also thwart early deliveries from that country next year, which could modestly prolong the pace of U.S. shipments. Exports of U.S. soybeans for 2002/03 were forecast higher this month to 890 million bushels, compared with the October forecast of 850 million. Yet, the shortfall of supplies will make it increasingly difficult for U.S. export shipments to keep up with last year's record pace for very long.

A smaller 2002 supply and resilient export demand for soybeans are bidding up the prices that domestic processors must pay. Between October 2001 and October 2002, for Illinois processors there has been an acute increase in the average cost of soybeans from \$4.30 to \$5.45 per bushel. At the same time, the current value of soybean oil per bushel crushed is considerably higher than it was a year ago. In contrast, the current value of soybean meal (the major product from crushing) is less than it was in November 2001. With expected tighter margins, this month USDA reduced its 2002/03 forecast of domestic soybean crush to 1,660 million bushels from the October forecast of 1,675 million.

Despite the improved prospects for soybean exports, USDA's larger crop estimate and lowered crush projection edges up the 2002/03 ending stocks forecast from 175 million to 185 million bushels. Even though farm marketing of soybeans in the United States is reported lighter than usual this fall, there has been resistance to a stronger price rally because of uncommonly large stocks remaining in South America. USDA trimmed its 2002/03 price forecast for soybeans to \$4.95-\$5.85 per bushel, down 10 cents from the October forecast.

U.S. export sales of soybeans have persevered, but the lag in export sales for soybean meal has been a major reason for the comparatively weak prices. As of October 31, export commitments of soybean meal were down 11 percent from a year earlier. U.S. sales of soybean meal to Asian markets, such as Indonesia and the Philippines, have been particularly slow this fall as South American production and shipments have eclipsed previous monthly records. The dimmer outlook for U.S. soybean meal exports led to a cut in the 2002/03 export forecast from 6.6 million short tons to 6.2 million. The 2001/02 export estimate was also trimmed to less than 7.5 million tons. A lack of news fundamentally influencing livestock production left the forecast of domestic disappearance of soybean meal unchanged at 33.5 million tons.

A tightening of 2002/03 foreign vegetable oil production will help U.S. exports of soybean oil hold up better than soybean meal exports. The 2002/03 forecast of U.S. soybean oil exports is 2,300 million pounds, which would be only modestly lower than the 2,500 million shipped last season, although a larger expected supply of South American output pared 100 million pounds from the previous forecast.

A decline in crushing and steady demand for soybean oil is also likely to restrict supplies within the United States. Soybean oil supplies for 2002/03 are forecast down 415 million pounds from last month. Consequently, ending stocks are forecast to drop to 1,483 million pounds, which would be sharply less than the 2001/02 carryover of 2,360 million pounds and the lowest in 5 years. A rise in soybean oil prices has already been well underway this year. By October, the price in central Illinois averaged 20.8 cents per pound, well above 14.4 cents a year earlier. USDA raised its forecast of the 2002/03 average price to 19.5-22.5 cents per pound, up 0.5 cent from last month.

Source: *Oil Crops Outlook*, USDA-ERS, November 13, 2002

ADDRESS SERVICE REQUESTED

Penalty for Private Use, \$300

OFFICIAL BUSINESS

FARGO ND 58108-3166

PO BOX 3166

ND AG STATISTICS SERVICE

Published 24 Times Annually
Subscription: \$10/Year
Free to Reporters

FARM REPORTER

Douglas Hartwig, State Statistician
William Meyer, Deputy State Statistician

PRSRST STD

POSTAGE & FEES PAID

USDA PERMIT NO G-38